

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
(317) 232-9855

FISCAL IMPACT STATEMENT

LS 6841

BILL NUMBER: HB 1177

DATE PREPARED: Dec 28, 1998

BILL AMENDED:

SUBJECT: In-home Health Care.

FISCAL ANALYST: Alan Gossard

PHONE NUMBER: 233-3546

FUNDS AFFECTED: X GENERAL
X DEDICATED
X FEDERAL

IMPACT: State

Summary of Legislation: This bill provides that an individual in need of in-home care who is an eligible Medicaid recipient or a participant in the Community and Home Options to Institutional Care for the Elderly and Disabled Program (CHOICE) may employ registered personal services attendants to provide attendant care services. The bill exempts from these provisions home health agencies, hospice programs, and health care professionals who practice within the scope of their license.

The bill also requires an individual in need of in-home care and the individual's case manager to develop an authorized care plan. An individual in need of in-home care who chooses to participate is required to hire a fiscal agent to provide payroll related services. The bill requires the fiscal agent to register with the Office of Medicaid Policy and Planning (OMPP). The bill also requires that appropriate federal Medicaid waivers be sought to permit reimbursement of these services under the Medicaid program. It exempts attendant care services performed by a personal services attendant from the practice of medicine and nursing. The bill also makes certain other changes.

Effective Date: Upon passage; July 1, 1999.

Explanation of State Expenditures: The provisions of this bill are estimated to have either no fiscal impact or, potentially, a small savings to the Medicaid and CHOICE programs.

This bill allows an individual recipient of the Medicaid or CHOICE programs who is in need of in-home care to be responsible for the recruiting, hiring, training, paying, dismissing, and supervising of a personal services attendant. The state of Kansas has had a similar provision in their Medicaid home and community-based waivers since about 1992. Representatives of the Kansas Department of Social and Rehabilitation Services (Kansas' Medicaid agency) and of the Occupational Center of Central Kansas (a non-profit organization) stated that this provision has been cost effective in their state and has reduced costs to their Medicaid program, largely due to the reduction in training expenses and overhead required of the Medicaid

program.

The bill provides for the collection of registration fees (from in-home attendants) by the Indiana Division of Disability, Aging, and Rehabilitative Services (DDARS) within the Family and Social Services Administration (FSSA). Area Agencies on Aging (AAA) may also collect fees for shipping, handling, and copying expenses. The fees that may be collected by DDARS and AAAs are limited by the bill for the initial two-year period of the program. The limits are \$30 for registration fees to DDARS and \$5 for handling fees to AAAs.

Explanation of State Revenues: See Explanation of State Expenditures, above, regarding fee revenue and federal reimbursement under the cost-shared Medicaid program.

Explanation of Local Expenditures:

Explanation of Local Revenues: See Explanation of State Expenditures, above, regarding fee revenue.

State Agencies Affected: Family and Social Services Administration

Local Agencies Affected: Area Agencies on Aging

Information Sources: Ms. Margaret Zillinger, Kansas Department of Social and Rehabilitative Services, (785) 296-7010; Ms. Jan Mandella, Occupational Centers of Central Kansas, (785) 825-2675.